

Canadian  
Pamphlets

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Metropolitan Toronto, Ont. Board  
of Trade

Report of the special committee  
to prepare a system of gratuity.  
[Toronto? 1886?]



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Toronto, Board of Trade

REPORT  
OF THE  
SPECIAL COMMITTEE  
TO PREPARE A SYSTEM OF GRATUITY.

*Adopted by the Council.*

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*To the President and Council of the Board of Trade of the  
City of Toronto:*

GENTLEMEN,—The Committee appointed by the Council of the Board of Trade of the City of Toronto to devise a plan for providing relief for the families of deceased members, respectfully submit the following report, and the accompanying by-laws to give effect thereto:

After an examination of the different propositions submitted, and after personal interviews with the officers of other commercial organizations who had applied the plan for the establishment of a Gratuity system within their own organization, your Committee have devised and adapted to the wants of the Board in the by-laws now submitted, a plan simple in construction, calculated to secure an equitable and useful system of relief, and to assimilate itself to the present organization of the Board.

As will be seen, the plan recommends a system of Gratuity applicable to our present membership, and in which it will be entirely optional with them to participate, and contemplates making it an integral part of the Board, to which all becoming members hereafter must necessarily subscribe.

To adjust this plan to the inequalities of age and physical

condition of the members, and also to provide means by which a Gratuity Fund may be accumulated, the following tables of graduated payments have been prepared, showing the basis of the system, and the anticipated result in twenty-one years, estimated on the present membership, and at an average mortality of about one per cent., which has been established as a fair average among this class of risks.

TABLE OF GRADUATED PAYMENTS.

	Assessment.	Rec'ts on death of member.	Pay Gratuity of	Balance to Gratuity Fund.	Average Number of Deaths.	Credit to Gratuity Fund.
1st year .....	\$3 00	\$2,700	\$1,000	\$1,700	9	\$15,300 Interest at 4 p.c. 612
2nd year .....	\$3 00	\$2,700	\$1,100	\$1,800	9	\$15,912 14,400 Interest, 30,312 1,212
3rd year.....	\$3 00	\$2,700	\$1,200	\$1,500	9	31,824 13,500 Interest, 45,024 1,801
th year.....	\$3 00	\$2,700	\$1,300	\$1,400	9	46,825 12,600 Interest, 59,425 2,377
5th year .....	\$3 00	\$2,700	\$1,400	\$1,300	9	61,802 11,700 Interest, 73,502 2,940
6th year .....	\$3 00	\$2,700	\$1,500	\$1,200	9	76,442 10,800 Interest, 87,242 3,489
7th year .....	\$3 00	\$2,700	\$1,600	\$1,100	9	80,731 9,900 Interest, 100,631 4,025
8th year .....	\$3 00	\$2,700	\$1,700	\$1,000	9	104,656 9,000 113,656



	Assessment.	Re'cts on death of member.	Pay Gratuity of	Balance to Gratuity Fund.	Average Number of Deaths.		Credit to Gratuity Fund.
<i>Brought forward</i> .....							\$211,872
18th year.....	\$3 00	\$2,700	\$2,700		9		
				Deduct from Surplus Fund. \$100		Interest,	8,474
19th year.....	\$3 00	\$2,700	\$2,800		9		220,346 900
						Interest,	219,446 8,777
20th year.....	\$3 00	\$2,700	\$2,900	\$200	9		228,223 1,800
						Interest,	226,423 9,056
21st year.....	\$3 00	\$2,700	\$3,000	\$300	9		235,479 2,700
						Interest,	232,779 9,310
Total Fund at end of twenty-first year.....							242,089

By the scale of graduated payments over the space of time it would operate (viz., twenty-one years), when the full payment of three thousand dollars would be reached, our system of Gratuity would be working on a plane of almost perfect equality and by the accumulation of a large Gratuity Fund, provision would be made at once for any unusual increase in mortality, and for the future permanency of the system.

In fixing the amount to be collected from the members at the death of each fellow member at three dollars, the Committee have been governed by a desire to fix on a sum that will, with the least temporary burden to our members, afford the greatest ultimate relief, and an analysis of the preceding table will show that a reduction of the assessment is contemplated from the accumulation of the fund, and by reference to the last section of Article VI of the proposed by-laws, it will be found that care has been taken to provide, in the further increase of the Gratuity Fund, for the subsequent relief of the assessments.

Your Committee therefore briefly submit the following conclusions :

The tendency of the proposed Gratuity system will be to improve and dignify the memberships by incorporating in each an element of beneficence.

It is calculated to prove a bond of union to the members, where all have a reciprocal interest in furnishing and receiving relief, and consequently tends to improve and elevate the character of the organization and render it permanent and stable.

Where a membership carries with it, to the legal heirs of a deceased member, a gratuity of from one to three thousand dollars, and where the certificate bears with it a perpetual interest in the Gratuity Fund, and bestows its benefits continually on the families of those who die in its ownership, it must necessarily follow that its value will be greatly enhanced ; and your Committee feel confident that, although the reported plan is not compulsory in its character, its general features are such as to induce all the members promptly to become sharers in its benefits.

The advantages are not confined to the large amount of the gratuity paid in relation to the small premium required, but that it is relieved from all risk of failure ; that it can in no way be disturbed, and that the gratuity must take the one course prescribed, viz., directly to the family, or heirs-at-law, of the member in whose name it may stand in the books of the Board at the date of his death. And in relation to this special feature, your Committee have the privilege to cite the experience of the Produce, Stock and Cotton Exchanges in the city of New York, and also the Chambers of Commerce of Boston and Milwaukee, where a similar system of relief has been in practice for several years, particularly that of the New York Stock Exchange, which has been in practice for ten years, showing during that time, in which about ninety disbursements have been made to the families of deceased members, that in several instances many sacrifices had been made, involving the pledging of life insurance policies and everything that could be made available in the attempt to reclaim lost fortune, that

the gratuity, in the majority of instances, had proved a most acceptable relief, and in a good proportion all that stood between the beneficiaries and actual want

**Your Committee would not conceal the fact, but would seek to mark it with great emphasis, that the full and immediate benefits to be derived from this scheme cannot be attained unless the members heartily join in it and will promptly announce their adherence to it. It needs but this to make it a pronounced success.**

W. INCE.

W. D. MATTHEWS, JR.

GEO. A. CHAPMAN.

HON. JAS. PATTON.

A large, elegant handwritten signature in cursive script, reading "Henry M. Darling". The signature is written in dark ink and is the central focus of the lower half of the page.

*Chairman.*

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( BOARD OF TRADE OF THE CITY OF TORONTO. )

PROVISION FOR THE FAMILIES  
OF  
DECEASED MEMBERS.

*By-Laws adopted June 29th, 1886.*

Sec. 20. (1). Every present member of the Board of Trade of the City of Toronto [hereinafter called the Board] may, within sixty days after the adoption of this by-law, and in the event of the member not subscribing within sixty days, they may subsequently subscribe on such terms as may be arranged by the Trustees hereinafter mentioned, and every future member shall subscribe to the plan for providing for the families of members, as hereinafter set forth, and with every such subscription, shall make a payment of \$5 each, which shall go to form a Gratuity Fund. Subscribing Members.

Upon the death of any subscribing member, there shall be assessed against each subscription membership the sum of three dollars, which shall thereupon become due to the Board, and shall be a lien on such membership. Assessment.

The sum so assessed shall be paid within thirty days, and any member who shall neglect or refuse to pay the same, after notice thereof, shall be subject to the same penalties as are provided in the case of non-payment of the annual subscription to the Board. Penalty for Non-payment.

(2). After proof of death of any subscribing member to the satisfaction of the Trustees, there Gratuity.

shall be paid out of the money collected the sum of one thousand dollars, or such proportionate part thereof as the subscribing memberships at the time of such death shall bear to the full number of memberships of the Board, if such death shall have occurred within one year after the adoption of this by-law.

Eleven hundred dollars, if after one year, and within the second year.

Twelve hundred dollars, if after two years, and within the third year.

Thirteen hundred dollars, if after three years, and within the fourth year.

Fourteen hundred dollars, if after four years, and within the fifth year.

Fifteen hundred dollars, if after five years, and within the sixth year.

Sixteen hundred dollars, if after six years, and within the seventh year.

Seventeen hundred dollars, if after seven years, and within the eighth year.

Eighteen hundred dollars, if after eight years, and within the ninth year.

Nineteen hundred dollars, if after nine years, and within the tenth year.

Two thousand dollars, if after ten years, and within the eleventh year.

Two thousand one hundred dollars, if after eleven years, and within the twelfth year.

Two thousand two hundred dollars, if after twelve years, and within the thirteenth year.

Two thousand three hundred dollars if after thirteen years, and within the fourteenth year.

Two thousand four hundred dollars if after fourteen years and within the fifteenth year.

Two thousand five hundred dollars if after fifteen years, and within the sixteenth year.

Two thousand six hundred dollars if after sixteen years, and within the seventeenth year.

Two thousand seven hundred dollars if after seventeen years and within the eighteenth year.

Two thousand eight hundred dollars if after eighteen years, and within the nineteenth year.

Two thousand nine hundred dollars if after nineteen years, and within the twentieth year.

Three thousand dollars if after twenty years and within the twenty-first year.

And thereafter such further sum as may be deemed advisable by the Trustees of the Gratuity Fund.

Which money, or such proportionate part thereof as the subscribing memberships bear to the full number of memberships of the Board, shall be paid to the persons hereinafter designated, free from all debts, charges, or demands whatsoever.

Nothing herein contained shall be taken or construed as a liability of the Board, or its members, for the payment of any sum whatever; the liability of each member, at law or in equity, being limited to the payment of three dollars only on the death of any other member, and the liability of the Board being limited to the payment of such sums as above prescribed or such part thereof as may be collected, after it shall have been collected from the members.

1. The widow surviving, there being no child, the whole sum is payable to the widow. To whom Gratuity shall be paid.

2. The widow and a child or children surviving, one-half to the widow and the other half to the child or to the children equally.

3. A child or children surviving, but no widow, the whole sum is payable to the child or to the children equally.

The issue of a deceased child take the share which such child would take if living.

4. A father surviving, but no widow, and no child or descendant, the father takes the whole.

5. A mother and brothers and sisters, or children of any deceased brother or sister, but no father, no

widow, no child, and no descendant of any child, the mother, brothers and sisters, or children of brothers or sisters, take equal shares, the children of any deceased brother or sister taking the share which such brother or sister would take if living.

6. A mother surviving, but no father, no widow, and no descendant of a child, no brothers or sisters, and no nephews or nieces, the mother takes the whole.

7. Brothers and sisters, or children of deceased brothers or sisters surviving, but no widow and no lineal kindred, the brothers and sisters, or the children of any deceased brother or sister, take in equal shares.

Relatives of the half blood take equally with those of the whole blood.

The shares of minors are paid to the legal guardians of their personal estates.

The shares of minors for whom no guardians shall be appointed, may be paid into a legal depository of trust funds, subject to the order of such minors when they shall arrive at full age, or to the order of their guardians when appointed.

All guardians must accept the guardianship in writing.

Should the member die leaving neither widow nor a child *nor* children, then the whole sum shall be paid to the next of kin of the deceased, within the limit of representation prescribed by the Statutes of the Dominion of Canada ; and if there be none such then the same shall revert to the credit of the Gratuity Fund.

In all cases a certified copy of the proceedings before a Surrogate Court or Judge of Probate shall be accepted as proof of the rights of the claimants, and be deemed ample authority to the Board, to pay over the money, and such payment shall release the Board forever from all further claim or liability.

(4). Nothing herein contained shall be construed as constituting any estate *in esse* which can be

mortgaged or pledged for the payment of any debts; but it shall be construed as a solemn agreement of every subscribing member of the Board, to make a gift to the family of each deceased member, and of the Board to collect and pay over to such family the said gift.

(5). The management and distribution of the <sup>Trustees of the</sup> Gratuity Fund and the execution of the provisions <sup>Gratuity Fund</sup> of this by-law, shall be under the charge of Trustees, to be known as "The Trustees of the Gratuity Fund," and to consist of the President and Treasurer of the Board, and of three other Trustees who shall be elected by the subscribing members at a time to be designated by the Council of the Board of Trade (hereinafter called the Council), and who shall hold office for the terms of one, two and three years respectively, or until their respective successors are elected.

Such election shall be by ballot, and each ballot shall designate the term, whether of one, two or three years during which it is intended that each candidate shall serve.

After such first election there shall be elected annually one Trustee for a term of three years.

In case of any vacancy occurring, the Trustees shall fill the same until the next annual election; <sup>Vacancies,</sup> but if they shall fail to fill such vacancy within <sup>how filled.</sup> thirty days the same shall be filled by the Council.

It shall be the duty of the Trustees to keep securely invested, in the name of the Trust, (or Trustees), in accordance with the laws of the Province of Ontario, regulating Trust Funds, all monies paid to them for the Fund, together with the annual interest and accretions arising from the same.

Instruments affecting the invested assets of the <sup>How Fund to</sup> Gratuity Fund shall be executed by direction of the <sup>be invested.</sup> Council, in the name of the Board, by the President of the Board and the Chairman of the Gratuity

Fund, upon recommendation of the Trustees of the Gratuity Fund and not otherwise.

Annual report  
to be made.

They shall have power to choose their own Chairman, and, subject to the approval of the Council, to make such rules as may be needful, and they shall make a full report of all interests in their care annually to the Council.

Assessments,  
how remitted.

Whenever the number of deaths of subscribing members shall exceed thirteen in any one year, it shall be the duty of the Trustees to pay out of the Fund such sums as may be requisite to limit the total payments of each membership under this By-law, to forty dollars in any one year; provided, however, that should the fund be exhausted, the liabilities of each membership to make payments on account of assessments in excess of forty-dollars in any one year shall not thereby be impaired.

The Trustees may impose such conditions for the future admission of non-subscribing members to the benefit of the Fund as they may determine to be for the best interests of the Board.

(6) The membership of a deceased or expelled subscribing member, from the date of his death or expulsion until transferred on the books of the Board shall be subject to the same assessments as the memberships of the surviving subscribing members during that period.

When the in-  
terest of a  
member ceases

The interest of a member, and in case of his death all claims of his widow, children, or next of kin, shall cease upon the transfer of his membership on the books of the Board or upon his expulsion from the Board. The interest of a member and the claims of his family shall, however not be affected by or during his suspension.

When the Gratuity Fund shall amount to such sum that the *undivided interest* of each subscribing membership shall be two hundred dollars, the further increase of the said Fund shall be applied to the reduction of assessments.

# RULES

OF

## THE GRATUITY SYSTEM.

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- RULE 1.**—A record of the proceedings shall be kept by the Secretary or clerk, and the minutes shall be approved by the Trustees.
- RULE 2.**—Regular meetings of the Trustees shall be held on the first Wednesday in each month, at 3 o'clock, p.m., but special meetings may be called by the Chairman, or upon the request of two Trustees. Three members shall constitute a quorum.
- RULE 3.**—A clerk to the Trustees shall be appointed, at a salary to be fixed by them, the term of office to be at their pleasure; said clerk to have charge of the books of the Trustees and attend to the collection of all assessments, and he shall give a satisfactory bond in the sum of \$2,000 for the faithful performance of his duties. The clerk to be under the supervision of the Trustees.
- RULE 4.**—All money collected shall be deposited daily by the clerk, in the bank designated by the Trustees, to the credit of the Gratuity Fund of the Board of Trade of the City of Toronto.
- RULE 5.**—Checks upon the designated depository of the Gratuity Fund shall be signed by the Treasurer of the Board, the Secretary of the Trustees, and countersigned by the Chairman of the Trustees, upon a requisition signed by not less than three of the Trustees.

- RULE 6.—Payments shall be due and payable on the second Wednesday of each month.
- RULE 7.—Investments shall only be made in accordance with the approval of four of the Trustees.
- RULE 8.—Whenever any doubt exists in the mind of the Trustees as to the legality of any proposed action, counsel must be consulted.
- RULE 9.—Upon the death of any subscriber to the Gratuity System notice shall be posted upon a bulletin board of the Board, signed by the Secretary of the Trustees, and a copy of the same shall be mailed to the last known address of each member, that the assessment of \$3 is due from each subscribing member, and on the first of each month a printed notice shall be sent to all delinquents.
- RULE 10.—In the event of the absence of the Chairman of the Trustees, the President of the Board shall act as Chairman, and in case of the absence of the Treasurer or Secretary, the Trustees may elect one of their number to fill their place *pro. tem.*
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# AMENDMENTS TO BY-LAWS, BOARD OF TRADE.

*Adopted June 29th 1886.*

Add to Sec. 3, clause B.

If the amount of such dues or assessment shall remain unpaid for the period of six months after a notice to pay the same, signed by the treasurer, shall be sent by mail in a registered letter to the last known residence or place of business of the member in whose name such certificate shall stand in the books of the Board, he shall cease to be a member of the Board.

Further penalty of neglect.

The Council shall thereupon direct such certificate and all interests therein to be sold at public auction at the Board, after notice of such sale and of the time and place thereof, published in two of the daily papers of the city of Toronto once in each week for four successive weeks, and posted on the bulletin of the Board during four successive weeks, and a copy of such notice sent by mail, in a registered letter, at least thirty days before such sale, to the last known residence or place of business of the person in whose name such certificate shall stand in the books of the Board.

Certificate may be sold by the Board.

Notice of sale how given.

In case the Board shall be notified of the death of the member or person in whose name such certificate shall stand in the books of the Board, then such notices as above prescribed shall be sent by mail, in a registered letter, to the last known residence of his legal representatives, or of either of them, with the same effect as if sent to such member or person if living.

Sale may be attended by any one.

Any person may attend such sale whether a member of the Board or not, but, if not a member, such person may announce his desire to attend such sale to the Secretary of the Board, who shall afford him facilities therefor. The purchase of such certificate at such sale shall not entitle the purchaser to membership in the Board, nor shall the said certificate be transferred on the books of the Board except to a person duly approved and entitled to membership, as otherwise provided in the by-laws of the Board.

Purchaser's rights under such sale.

The purchaser of such certificate shall, however, be entitled to a memorandum of such sale and purchase, signed by the Treasurer, and upon the presentation of such memorandum, duly endorsed, by a person duly approved and otherwise qualified for membership, a new certificate shall be issued to him upon payment of the transfer fee prescribed in section 2 of these by-laws, and the certificate so sold shall, after such sale, be considered cancelled, and shall be void

Claims of the Board on proceeds of sale.

From the proceeds of such sale the Treasurer shall pay the expenses of publishing said notices and of said sale and the assessment or assessments due on said certificate, and the balance shall be paid to the person in whose name the certificate so sold stood in the said books, or to whomsoever shall appear entitled to receive the same.



